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1953

## Public Opinion and the Accounting Profession

American Institute of Accountants

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**PUBLIC OPINION**

**AND THE**

**ACCOUNTING PROFESSION**

**THE AMERICAN INSTITUTE  
OF ACCOUNTANTS**

**PUBLIC OPINION**

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**ACCOUNTING PROFESSION**

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**THE AMERICAN INSTITUTE OF ACCOUNTANTS**

270 Madison Avenue

New York 16, New York

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## A LOOK AT THE FUTURE

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We live in a time of rapid change — technological, economic, social, political. It is also an age in which the subtle shifts of public opinion are enormously important.

During the next decade public opinion may effectively determine how well certified public accountants maintain their status as members of a major profession, lead public thought in matters of accounting and financial reporting, and confirm their role in the determination of business policy.

The continuing value of the CPA certificate will depend to a considerable extent on how much people *know* about certified public accountants, and what people *think* of them.

Public opinion, in short, can control both the rate and the extent of the profession's growth and development.

The nature of that opinion will very largely depend on the profession's ability to inform the public of its functions, its objectives, its standards, its achievements and its capacities for public service.

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This is more than a matter of mere goodwill. The professional status of certified public accountants has been under attack in Congress, in state legislatures, and in the courts. Favorable public opinion, therefore, is indispensable if the status of the CPA is to be maintained.

Thus the profession faces a task. For sound public relations cannot be bought ready made. By and large it must come through three things —

The influence of the individual accountant in his day-to-day contacts with other people and groups;

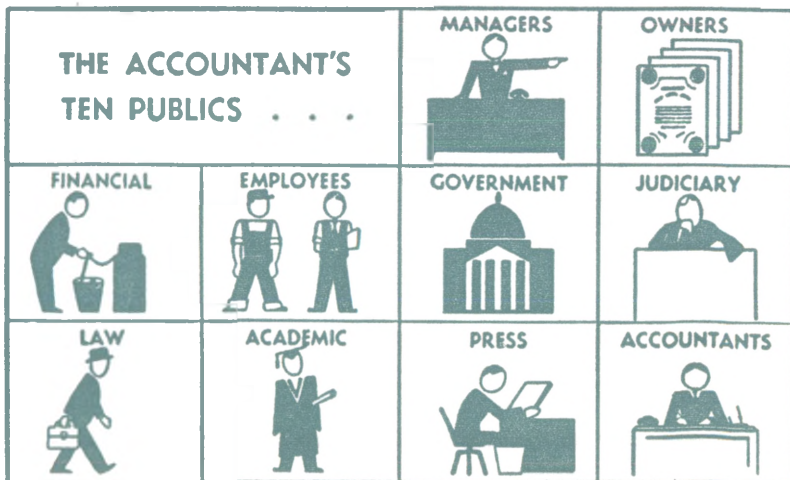
The planned, cooperative efforts of state societies;

And the execution of a broad national public relations program in the interests of the profession as a whole.

## WHO CARES ABOUT ACCOUNTANTS?

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How many groups in a community want to know about certified public accountants?



The Institute's Committee on Public Relations identifies ten main groups:

1. The *managers* of business retain accountants, depend on them for essential services, have very special reasons to be interested in accounting and its practitioners.

2. The *owners* of business — every stockholder and investor — must look to the accountant for expert, independent audits and judgment.

3. The *financial public*, including banks, credit grantors, analysts and others, has a keen interest in accounting.

4. *Employees* generally, and organized *labor* in particular, make it increasingly clear that they are concerned with financial reports both as to clarity and validity.

5. National, state and local *government agencies* which depend upon accounting continue to increase in number.

6. *Legislators* — and members of the *judiciary* — approach accounting from a special viewpoint.

7. The *legal profession* has important relations with accounting, especially in the field of taxation.

8. Students of accounting, and those who teach its principles and methods, form an *academic public*.

9. A group which has interests distinct from all the others is made up of writers and editors for *press and radio*.

10. And *accountants* themselves. One of the marks of a well-organized profession is the liaison among its members.

Ten different groups. The accounting profession today has relations not only with the “general public” but also with a series of different *key publics*.

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## WHY DO THEY CARE?

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The interest of these groups in accounting by no means reflects idle curiosity. They *need* to know. Business is dynamic; it changes. Accounting is dynamic too. And a wide variety of factors have helped to focus public interest ever more sharply on activities with which accounting is greatly concerned:

A wider use of the corporation for carrying on business; continued growth in the size of enterprises; broader distribution of ownership; government regulation; new taxes; expansion of governmental services and use of the corporate device for the management of public affairs; emergency control of the economy in times of stress; and, especially recently, the increasing interest in management affairs by labor unions and their members.

Every public opinion poll these days shows that the people — people generally and people in homogeneous groups — are increasingly interested in business affairs, even when they lack information on which to base valid judgments.

Look at it this way: over 40,000,000 people are employed in business and industry; over 15,000,000 people belong to unions; over 6,000,000 people own stock in American companies. That's part of the reason for public interest in accounting — which is the language of business.



# THE STORY WE HAVE TO TELL

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DOCTORS

DENTISTS

LAWYERS

ACCOUNTANTS



Professional growth is one sign of vitality and public service.

The accounting profession, during the past generation, has outstripped every other profession in rapidity of expansion. From 1940 to 1950, the number of lawyers increased 11 percent, dentists 26 percent, physicians and surgeons 26 percent.

Certified Public Accountants? Their number increased by 88 percent. Since 1950 the increase has been close to 10 percent each year.

Yes, there is a story to tell — of professional development and achievement, of service to business and to the public, of creative research and planning.

The Encyclopedia of the Social Sciences puts it this way:

“The profession of accounting has become established on a par with law, medicine and other learned professions. The varied accounting activities involve public interests and require assured ability, training and reliability.”

And, on the same subject:

“Progress in the science and techniques of accounting has made possible an increase in the size, complexity and territorial scope of business operations . . . the kind of business that is possible depends upon the records that can be kept.”

## BUT HOW WELL DO PEOPLE KNOW THESE THINGS?



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In a recent poll, only seven percent of those queried voluntarily mentioned the independent auditor's report as a factor adding credibility to financial statements.

Some lawyers sincerely believe that CPAs, when handling tax matters, sometimes practice the law illegally, or come dangerously close to doing so.

Some men think that rules and regulations governing accounting methods should be laid down rigidly by Government agencies.

And it is all too apparent that state legislatures often give earnest attention to incorrect but plausible arguments that CPAs maintain a "closed shop" monopoly.

The evidence, in short, by no means indicates one hundred percent enthusiasm for the CPA and his works.

In most cases the trouble can be traced to lack of public understanding. We have a story to tell, but not enough people know it.

It will be helpful if we can tell it — effectively, and to the right people.

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## GETTING OUR STORY ORGANIZED

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How then, do we organize the facts and ideas we want people to know?

People on the whole will not stand still to be educated. They haven't time. So, if the future of the profession depends on what people think about us, then what are the *basic* facts and ideas we want to get over?

The Committee on Public Relations studied this question and came up with ten basic themes: \*

Accounting is a Profession

The Accountant Serves the Public Interest

The Accountant Helps Management

Accounting is Creative

Accounting is Progressive

Accounting is a Language for Business

The CPA is Independent

The Accountant has a Code of Ethics

Accountancy is an Expanding Profession

The Accountant is a Good Citizen

It is easier to tell our story if what we have to say is grouped into such clear-cut themes, which can be demonstrated and illuminated in many of the profession's activities.

\* A discussion of these ten themes, and an analysis of the ten publics mentioned previously, are contained in the national public relations program which can be obtained from the American Institute of Accountants.

## A NATIONAL PUBLIC RELATIONS PROGRAM

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Public relations has been defined as the “art of simultaneously deserving and achieving public understanding and approval.” The “deserving” phase of this job, so far as the accounting profession is concerned, is already an accomplished fact: the profession’s behavior pattern is demonstrably sound.

What we face, therefore, is primarily a job of communication — of getting the story we have to tell into people’s heads.

What can we do about this public relations problem?

A good deal has already been done. And, to be sure, the profession is by no means without friends. But to make certain that clear channels of communication are kept open to the public, and to key public groups, several steps have been taken.

One of these was the development of a national public relations program by the American Institute of Accountants.

This program defines the audiences we want to address, and gives a detailed analysis of the central ideas and facts we want them to know. It lays out a long-range program of special projects, including booklets, speeches, regional conferences, work with magazines, newspapers,

radio and television. The programmed activities cover all the media of communication.

The statement of objectives at the beginning of the program sets the tone:

“To establish, through the communication of facts and ideas, a broader public understanding of the functions and responsibilities of the certified public accountant and his role in our complex modern economy: thus creating a more favorable climate of public opinion for the profession, gaining wide public support for the maintenance of high ethical and professional standards, and assuring full opportunity for the CPA to render maximum service to society.”

## THE ROLE OF COMMUNITY RELATIONS



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**G**ood community relations tie in closely with the national program, and the importance of community relations for accountants — as one phase of public relations — can hardly be overemphasized. The national program can obviously do great good; it can help build a pervasive “cli-

mate of opinion" beneficial to the entire profession. But, after all, people get to meet and know other people in the towns and cities where they live and work. And it is out of these day-to-day contacts that a substantial part of public opinion is formed.

The theory of community relations has become, in recent years, an important part of the more general theory of public relations. The texts are full of it. But in many cases the admonitions given range from a banal suggestion that everybody join the local "men's club" to cloudy talk about the "societal structure" of the "urban unit."

Really it is not that complicated.

Community relations have to do with the way people — individually and in groups — get along with other people — individually and in groups — in the towns where they live and work together.

The reason all this is so important is that people still get a surprisingly large part of their information and opinion from rubbing up against other people in everyday life. The radio, the newspaper, the magazine, the motion-picture — all these are important. But even more so are the casual words exchanged between two men who sit side by side at luncheon.

Organized accountants can take advantage of these opportunities. State societies can make a conscious, planned effort to take part in civic activities.

There is no easy, magic formula for doing so, no "check list of things to do" that will lead inevitably to

civic popularity. But, if some one in the society is given the specific job of planning community relations activities — say, the chairman of a committee on public relations — he will soon find dozens of opportunities to get his society, as an identifiable group, involved in the mainstream of community life.

It is essential that this relationship between the local society and the community be established and maintained.

## THE ROLE OF THE INDIVIDUAL ACCOUNTANT



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The individual CPA is often the most important public relations representative the profession has.

True, the so-called “general public” rarely sees accountants at work, but those who do see them usually see *individual* accountants. It is the individual accountant who confers with a client, completes an audit, expresses an opinion, gives a speech, writes a paper, makes a statement, teaches a course, joins a club.

And it is the individual accountant, therefore, who plays a strategic role in demonstrating that his profession serves the public interest.

Organized state and national public relations programs can help to make the key publics *aware* of the role of certified public accountants in economic and community life. But whether people think well or ill of the accounting profession will always depend chiefly on their own personal contacts with accountants.

## LINCOLN MADE THE POINT

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“Public sentiment,” said Abraham Lincoln, “is everything. With public sentiment, nothing can fail; without it, nothing can succeed.”

Lincoln spoke before the phrase *public relations* had been invented. But no one has ever made the point more sharply. Axiom number one in the art of public relations is that public attitudes, determined by available information, very largely determine our chances of success in any endeavor that affects the interests of other people.

Certified public accountants, like members of other professions, are no exception. They, too, must have public



understanding if they are to enjoy the fullest opportunity to maintain professional standards and render maximum public service.

They, too, will achieve public understanding to the extent that they — individually and collectively — take action to foster broad public knowledge of the accounting profession and its role in public affairs.

PRINTED IN U.S.A.  
1953

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